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SUBJECT: (U) Deputy Secretary Steinberg's June 19, 2009 Conversation with Australian Deputy Prime Minister Julia Gillard

- 1. Classified by EAP Acting Assistant Secretary Scot Marciel. Reasons: 1.4 (b) and (d).
- 12. (U) June 19; 5:45 p.m.; Washington, DC.
- 13. (U) Participants:

U.S.

Deputy Secretary Steinberg EAP Acting Assistant Secretary Scot Marciel Pamela Park, D Staff William Bellis, EAP/ANP (Notetaker)

AUSTRALIA

Deputy Prime Minister Julia Gillard Ambassador Dennis Richardson Lisa Paul, Secretary of Dept of Education Employment and Workplace Relations Tom Bentley, Deputy Chief of Staff, Office of the

Deputy Prime Minister Michael Sadlier, First Secretary, Embassy of Australia

(C/Rel Aus) SUMMARY. In a 20-minute meeting on June 19, the Deputy Secretary and Deputy Prime Minster Julia Gillard reaffirmed the valued and close relations between the United States and Australia while discussing a variety topics including the Middle East, Iran, Uighurs, North Korea, the global economic crisis, and the bilateral Work and Holiday Pilot Program. The Deputy Secretary expressed how much we value our unique relationship with Australia, and noted that we do not take it for granted. The Deputy Secretary's two most important requests for Government of Australia (GOA) support were its re-consideration of taking some Uighur detainees from Guantanamo and assistance in developing a coordinated response from the international community to enforce UNSCR 1874 regarding North Korean illicit cargo shipments. Gillard said Australia would seriously look again at the former and fully supported the United States on the latter issue. END SUMMARY.

MIDDLE EAST STATE OF PLAY

15. (C/Rel Aus) Gillard said that her stop in Washington, on the way to Israel, was primarily to introduce herself and reinforce already-strong United States - Australian relations. In particular she said she was interested in getting the United States' perspective following the President's Cairo speech, and on the situation in Iran and the Asia-Pacific region. Deputy Secretary Steinberg expressed how much we valued the unique relationship we

have with Australia. He also mentioned the close personal relations between the President and Prime Minister Rudd. However, he added that we do not take our close relations with Australia for granted. The Deputy Secretary said he was glad Gillard would be meeting with the Israeli leaders. He said that there was a long-standing opportunity to make progress with enormous payoffs, and it was a high priority for the President. Ambassador George Mitchell would return to the region with ideas on how to move forward, and these would include assurances to the Israelis on security. However, the US believed that a settlement freeze was essential to progress and that time was not on the side of an agreement.

IRAN

16. (C/Rel Aus) The Deputy Secretary observed that the post-election situation made it more complicated for the Iranians to engage in a dialogue, especially on the nuclear issue, and that options for the U.S. and Israel were very limited. He said that based on his experiences in the 1979 hostage negotiations during the Carter Administration, the internal political dynamics of Iran were difficult to understand.

NORTH KOREA

17. (C/Rel Aus) The Deputy Secretary said it was necessary to make clear to the DPRK that things must change and that the international community will enforce UNSCR 1874. The United States' focus, he emphasized, was to avoid confrontation, and encourage all states to follow the procedures laid out under UNSCR 1874 regarding the inspection of suspect North Korean cargo shipments. He added that he was confident Japan and South Korea would do so, but was less sure about China and Russia and urged Australia to weigh-in with its Asian partners such as ASEAN. Gillard, citing Prime Minister Rudd's statements on the issue, said the Australia was with the United States on North Korea. It was a key policy focus for the government, she added.

ASIA PACIFIC COOPERATION AND STUDENT EXCHANGES

18. (C/Rel Aus) Gillard made short pitches on two issues. Touching on Prime Minister Rudd's Asia-Pacific Cooperation (APC) initiative, she acknowledged that Australia needed to continue to work on it in the form of ongoing discussions with its regional partners. Gillard strongly advocated for a continuation of the U.S.-Australia Work and Holiday Pilot Program, saying that it was a great people-to-people initiative. The Deputy Secretary responded that he was familiar with these types of programs in general and recognized their critical importance.

UIGHER DETAINEES

back to us.

19. (C/Rel Aus) The Deputy Secretary also raised the issue of the Uigher detainees in Guantanamo, explaining how important it was to the United States and how much we appreciated Australian's willingness to reconsider accepting some. He alluded to the domestic challenges the Administration faces regarding the Congress in dealing with the detainees. Gillard said she understood how domestic politics can complicate these kinds of issues and that Australia would take another look and get

GLOBAL ECONOMIC CRISIS

110. (C/Rel Aus) The meeting concluded with Gillard asking when the Deputy Secretary might be traveling to the region again. He joked that he would love to try and get to Australia, "but we don't have enough problems with you." Gillard added that Prime Minister Rudd looked forward to seeing the President again at the upcoming G-20 meeting in Pittsburgh. She said that Australia was doing well in comparison to the rest of the world with a positive .04% annual growth rate in the first quarter and only 5.7% unemployment. "We'd take it", the Deputy Secretary replied. He added that the irony was that people are only now coming to understand the situation and we are just now seeing signs of the relief measures slowly beginning to work. We have to keep at it, he concluded.

CLINTON